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17 September 1958

MEMORANDUM FOR: Assistant Director, Research and Reports

THROUGH : Chief, Economic Research Area, ORR

THROUGH : Chief, Materials Division, ORR

FROM : Chief, Chemicals Branch, D/M/RR

SUBJECT : Comments on Recent Visit of US Plastics Exchange
Delegation to the USSR

1. The US Plastics Exchange Delegation returned from its visit to the USSR in the latter part of June 1958. Now that the reports of the delegates have been made, it seems appropriate to relate some of the significant aspects of the visit and to evaluate the Exchange in terms of the benefit to the economic intelligence effort.

2. During its 4-week stay in the USSR the Delegation was permitted to visit 8 plastics producing and fabricating plants, about half of the major plants of this type in the USSR. On an output basis it is estimated that the Delegation was permitted to see about a fourth of the industry. In addition, 6 research institutes were visited.

3. Attention is called to the fact that, with the exception of the Moscow area, the Delegation was not permitted to view any installation in areas which are closed to foreigners. During the briefing of the Delegation prior to departure, the undersigned emphasized the importance of trying to obtain admittance to the 3 or 4 plastics plants in the Dzerzhinsk area, which is probably the most important area of chemical production in the USSR but which is closed to foreigners. The request of the Delegation to visit a plant in this area was denied on the basis that there was more to see in the south and that too much time would be lost in visiting this plant. The plant referred to is only about 250 miles east of Moscow. In contrast, they were permitted to visit plants in the Transcaucasus, about 2,000 miles from Moscow.

4. Similarly, Russian technology in the production of some of the newer types of plastics was withheld from the Delegation. They were not shown production plants manufacturing fluoroplastics or silicones, although this may have been due to the fact that the plants in question are located in closed areas rather than to a desire to withhold technology. Certain technology in the manufacture of polyethylene was intentionally withheld, however. The Delegation was not permitted to see the low-pressure polyethylene pilot plant at the Polymerization Institute in

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Leningrad, even though other units at this Institute were shown to them. Likewise, the Russians refused to divulge the catalyst they are using in their pilot process for intermediate-pressure polyethylene.

5. Evaluation of the Economic Information Collected

a. National Production Statistics - Statistics on Soviet production of plastics in 1957 were given by officials of the Soviet plastics industry to the Delegation. These statistics consisted of an overall production figure broken down by category of plastics produced. The breakdown of the national production figure was according to rather broad categories, no doubt to avoid revealing production of certain important types of plastics. In addition, the production figures include fillers which further complicates the picture. Nonetheless, the statistics obtained are of considerable value to M/CH, since no production statistics were previously available for this Soviet industry and since sufficient indirect information was not available to make all the estimates required. The statistics provided appear to be consistent, when properly interpreted, with the few estimates of plastics production previously made by M/CH.

b. Plant Information - Information was obtained regarding type and amount of production, processes, equipment, level of technology, quality of products, source of raw materials, and labor for the 8 plants visited. In addition, many photographs of plants and processing equipment were obtained. This information also was of considerable value to M/CH, adding greatly to our store of knowledge on the plants and the industry as a whole.

c. Personnel Information - Names and, in most cases, photographs of key personnel of the Soviet plastics industry and of each of the installations visited were obtained. Many of these personnel were not previously known. Information of this nature has considerable potential value in intelligence research.

d. Miscellaneous Information - Information was obtained regarding the types of plastics which are in short supply in the USSR and regarding the priority which the Soviets attach to increasing the production of the various types. The delegates furnished estimates of the distribution of certain synthetic resins to industrial and consumer items, and passed along their impressions of the strengths and weaknesses of the Soviet plastics industry. Much of this information was not new but rather served to confirm previous M/CH information and impressions. On the whole, however, M/CH regards this miscellaneous material as very valuable.

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In addition to the economic information collected, much valuable information was obtained concerning Soviet research in the field of plastics.

6. In summation, despite the fact that access to certain important plants and technology was denied, the visit of the US Plastics Exchange Delegation to the USSR resulted in the acquisition of much valuable information which adds considerably to our knowledge of this important and rapidly growing branch of the Soviet chemical industry. The success achieved by this Delegation reinforces the view that exchange of delegations is an effective, inexpensive, and practical way to collect a great deal of valuable information on the Soviet economy.

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